

Congress Should Put Economic Teeth into Clean Energy Act, HR 6.

Speculations on the identity of the Old Country Lawyer make it clear that I should announce myself, so as to minimize embarrassment to all concerned. Hi, it's just me, Chris Mallin, precinct committeeman from Suffield, not Darth Vader. Now back to saving the planet.

In the 2007 State of the Union Address, President Bush announced a goal of "reducing gasoline usage by twenty percent". This is a good start, in theory. On June 21, the United States Senate passed an amended version of the Clean Energy Act of 2007, HR 6, including a mandate to increase automobile Fuel Efficiency Standards in the future.

Fuel Efficiency Standards seem to be what lawyers used to call "aspirational in character", meaning "we really should try to be like this, but there's no serious penalty if we don't make it." Thirty-two years of legislated Fuel Efficiency Standards have demonstrated that the only time gasoline usage goes down is when the price of gasoline goes up, a lot.

The U. S. Department of Energy publishes gasoline deliveries, at <http://tonto.eia.doe.gov/dnav/pet/hist/c100000001m.htm>. In 2006, 137,988,551,400 gallons of gasoline were delivered. If fifteen percent of that was exempt government use, for police cars, school buses, and snowplows, that leaves 120 billion gallons used by consumers. If there are 200 million American adults, that makes 600 gallons per year per adult. Reducing that gasoline usage by twenty percent would be a reduction of 120 gallons per adult per year, to 480 gallons, about nine gallons per week.

An effective, and revenue-neutral, mechanism for reducing consumer gasoline usage by 20% is to increase the tax on all non-exempt gasoline usage and refund to each taxpayer the amount of the tax increase that would be imposed on the reduced target amount of gasoline usage. If the gasoline consumption tax is increased by one dollar per gallon, and the target reduced annual gasoline consumption is 480 gallons, refund to each adult filing a federal income tax return the amount of \$480.00.

Some of the results of this system are: (1) people who limit their use to the reduced target amount of gasoline, and file a federal income tax return, break even; (2) people who use more gasoline than the target amount, and file a tax return, pay a penalty only on excess usage; (3) people who buy gasoline but don't file a tax return, pay a penalty on all usage (read: drug dealers and other "underground economy" incomes); and (4) people who use less than the reduced target amount of gasoline, and file a tax return, are rewarded. Who uses less gasoline? Economically-disadvantaged folks who take the bus, elderly folks who no longer drive, ecological activists who drive hybrid-electric cars - Democrats.

Last month's discussion of Ohio SB 16 was interpreted in a way the OCL had not anticipated, so I'll clarify. There is no "Dancer Police". I made it up. It was intended to be a JOKE. I want to make clear that I did not intend to seriously suggest that any well-run city would divert taxpayer resources from anything useful to try to enforce a law as ludicrous as SB 16. If anyone was misled into thinking there would really be a "Dancer Police", I apologize.

- Christopher J. Mallin, Old Country Lawyer.